ANNUAL REPORT
1980-81

UNIVERSITIES
ACADEMIC
PENSION BOARD

Alberta

ISSN 0709-8731

THIRD ANNUAL REPORT

of the proceedings of the

UNIVERSITIES ACADEMIC PENSION BOARD

pursuant to

THE UNIVERSITIES ACADEMIC PENSION ACT

for the year ended

March 31, 1981

Alberta

PROVINCIAL TREASURER

403/427-8809

323 Legislature Building
Edmonton, Alberta, Canada
T5K 2B6

To the Honourable FRANK C. LYNCH-STAUNTON

Lieutenent Governor of the Province of Alberta

MAY IT PLEASE YOUR HONOUR:

I have the honour to submit the Annual Report of the proceedings of the Universities Academic Pension Board, pursuant to *The Universities Academic Pension Act*, for the fiscal year ended March 31, 1981.

Lou Hyndman

MINISTER FOR PENSIONS

Alberta

GOVERNMENT PENSION BOARDS

403/427-7105

9811 - 109 Street
Sir Frederick W. Haultain Building
Edmonton, Alberta, Canada
T5K 0C8

Office of
the Chairman

The Honourable L. D. Hyndman
Provincial Treasurer
Minister for Pensions
Government of the Province of Alberta
Edmonton, Alberta.

Sir:

In accordance with *Section 32(1)* of *The Universities Academic Pension Act*, I have the privilege of submitting to you, the Annual Report of the Universities Academic Pension Board, for the year ended March 31, 1981.

The assistance of the staff of the Payroll and Pensions Division of the Alberta Treasury is gratefully acknowledged.

Respectfully submitted,

J. E. Faries
CHAIRMAN OF THE BOARD

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UNIVERSITIES ACADEMIC PENSION BOARD

BOARD CHAIRMAN

J. E. Faries
Chairman
Government Pension Boards

MEMBERS

ON BEHALF OF THE BOARDS OF GOVERNORS	ON BEHALF OF THE STAFF ASSOCIATION
M. A. Rousell University of Alberta	L. Eberlein University of Alberta
M. G. McGinley University of Calgary	H. A. Buckmaster University of Calgary
J. A. Rae University of Lethbridge	E. E. Falkenberg University of Lethbridge

UNIVERSITIES ACADEMIC PENSION ACT

REPORT ON THE ACTIVITIES OF THE BOARD AND THE OPERATION OF THE ACT

The Universities Academic Pension Board met a total of 11 times during the fiscal year ended March 31, 1981. In addition to the determination of the application of the Pension Plan, established under the Universities Academic Pension Act, in individual cases, the Board considered policy issues raised by members, Universities and other interested parties. Pension related matters were directed to the Board by members, Universities, Alberta Treasury and the legal profession. In total the Board dealt with 25 cases during the reporting period, as detailed below:

Prior Service cases	16
Leave without Pay cases	3
Cases involving refund of excess contributions, recovery of over-refunds or recovery of money owed by a pensioner to the University	4
Spousal Pension calculation cases	1
Definition of Honorarium/Supplementary Salary	1

On behalf of the Board, the Chairman's office prepared Bulletins and participated in Pre-retirement seminars. The "Postscript", a quarterly publication of the office of the Chairman, was sent to

pensioners. Many interesting and positive comments were received on the publication during the year.

The plan, being only three years old, has not matured sufficiently to determine significant trends. However, preliminary trends indicate that average retirement age is around 63.5 years.

The Department of National Revenue rulings on pensions are closely observed by Board members representing staff associations and the universities. The office of the Chairman monitors and attends various conferences to maintain first hand information on pension matters.

Portability of pensions among the universities and educational institutions remains a high priority with the members. Portability of pension credits is required to provide top calibre staff at Alberta universities.

As under other plans administered by the Government, the day to day responsibilities for receipts and disbursements were delegated to the Alberta Treasury, Payroll and Pensions Division, effective April 1, 1980. The statistical information in this report has been developed from the information made available by them. Because of the transition, some of the statistics reported in the past years are not available.

CONTRIBUTIONS

During the period covered by this report -- April 1, 1980 to March 31, 1981 -- member contributions totalling $10,241,365 and employer contributions amounting to $8,293,195, for a total of $18,534,560 were received and deposited into the General Revenue Fund of the Province of Alberta. As of March 1981, there were 3,881 members' accounts, including 96 accounts held on deposit on behalf of the terminated members.

REFUNDS

Total refunds during the year amounted to $900,602 and included $45,062 for refunds of contributions and interest to members leaving the service, $824,642 for contributions and interest transferred other than under the terms of reciprocal agreements and $30,898 for refund of excess contributions.

TRANSFERS

Contributions and interest amounting to $8,420 were transferred to other pension authorities under the terms of reciprocal agreements. Similar transfers received from other pension authorities are included in the total employee and employer contributions for the year. Transfers by book entry with other Alberta Government pension plans are shown on page 7.

RETIREMENTS AND BENEFITS

Retirement pensions were granted during the year to twenty-six members. Two Spouse's pensions were granted to the spouses of the members who had died while still in service.

As of March 31, 1981, there were 216 pensioners or their beneficiaries in receipt of pensions. Twenty-one of the pensions were coordinated with the Canada Pension and/or the Old Age Security.

Benefits under the Act involved pension payments of $2,628,633 to the pensioners and lump sum payments of $77,129 to beneficiaries of the deceased members.

A sum of $6,292.36 was paid to the spouse of a deceased member by instalment.

As at March 1981, ten retired members were being paid pension advances equalling 90% of their estimated pensions, pending receipt of pension option.

PENSION ADJUSTMENT REGULATIONS

To provide cost of living adjustments to pensions granted under the Act, section 1 of the Universities Academic Pension Adjustment Regulations, being Alberta Regulation 438/78, as amended, was further amended to authorize the following adjustments:

(a) pensions granted on or before January 1, 1980 were increased by 8.50%;

(b) pensions granted after January 1, 1980 but on or before February 1, 1980 were increased by 7.79%;

(c) pensions granted after February 1, 1980 but on or before March 1, 1980 were increased by 7.08%;

(d) pensions granted after March 1, 1980 but on or before April 1, 1980 were increased by 6.37%;

(e) pensions granted after April 1, 1980 but on or before May 1, 1980 were increased by 5.67%;

(f) pensions granted after May 1, 1980 but on or before June 1, 1980 were increased by 4.96%;

(g) pensions granted after June 1, 1980 but on or before July 1, 1980 were increased by 4.25%;

(h) pensions granted after July 1, 1980 but on or before August 1, 1980 were increased by 3.54%;

(i) pensions granted after August 1, 1980 but on or before September 1, 1980 were increased by 2.83%;

(j) pensions granted after September 1, 1980 but on or before October 1, 1980 were increased by 2.13%;

(k) pensions granted after October 1, 1980 but on or before November 1, 1980 were increased by 1.42%;

(l) pensions granted after November 1, 1980 but on or before December 1, 1980 were increased by 0.71%.

(Alberta Regulation 9/81)

RECIPROCAL AGREEMENTS

For the purpose of transferring pension credits on a reciprocal basis, the following reciprocal agreements between the Universities Academic Pension Board and other pension authorities were in effect, as of March 31, 1981:

Local Authorities Pension Board

Public Service Management Pension Board

Public Service Pension Board

Board of Administrators, Teachers Retirement Fund

President of the Treasury Board, Canada

Minister of Finance, Province of New Brunswick

Manitoba Teachers Retirement Allowance Fund Board

Saskatchewan Teachers Superannuation Commission

Brock University

University of Manitoba

Board of Governors, McGill University

University of Regina

Saint Paul University (Ottawa)

Board of Governors, University of Saskatchewan

University of Toronto

REFUNDS

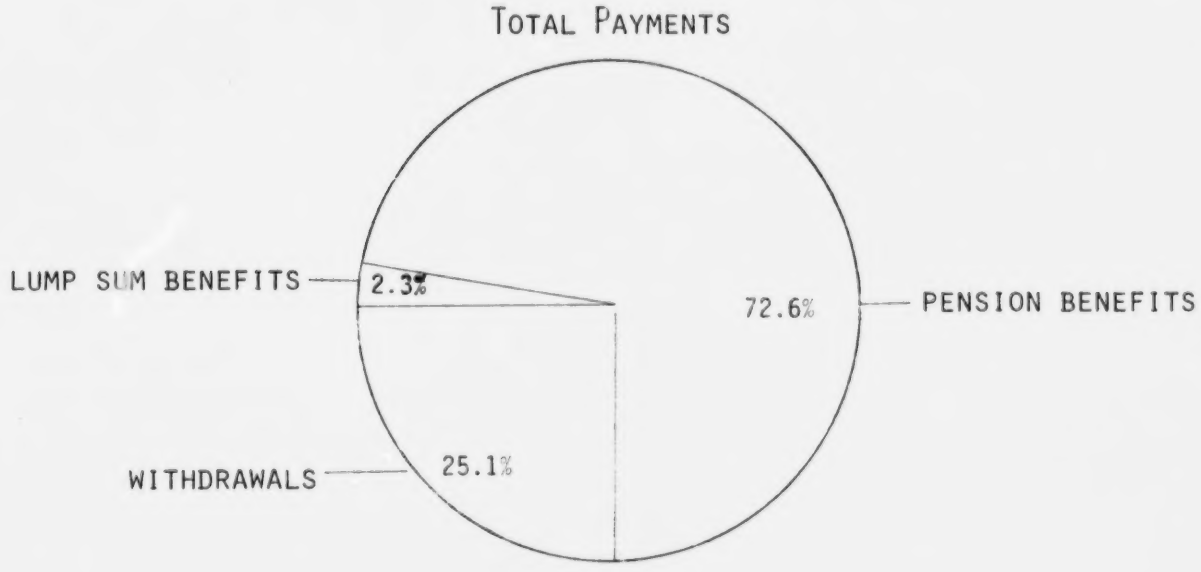
	AMOUNT
Refunds of contributions to terminated members (*Section 23(1)(a) of the Act*)	$ 45,062.00
Refunds of contributions by transfer to Registered Pension or Retirement Savings Plans, etc. (*Section 23(1)(b) of the Act*)	$824,642.00
Refunds of excess contributions	$ 30,898.00

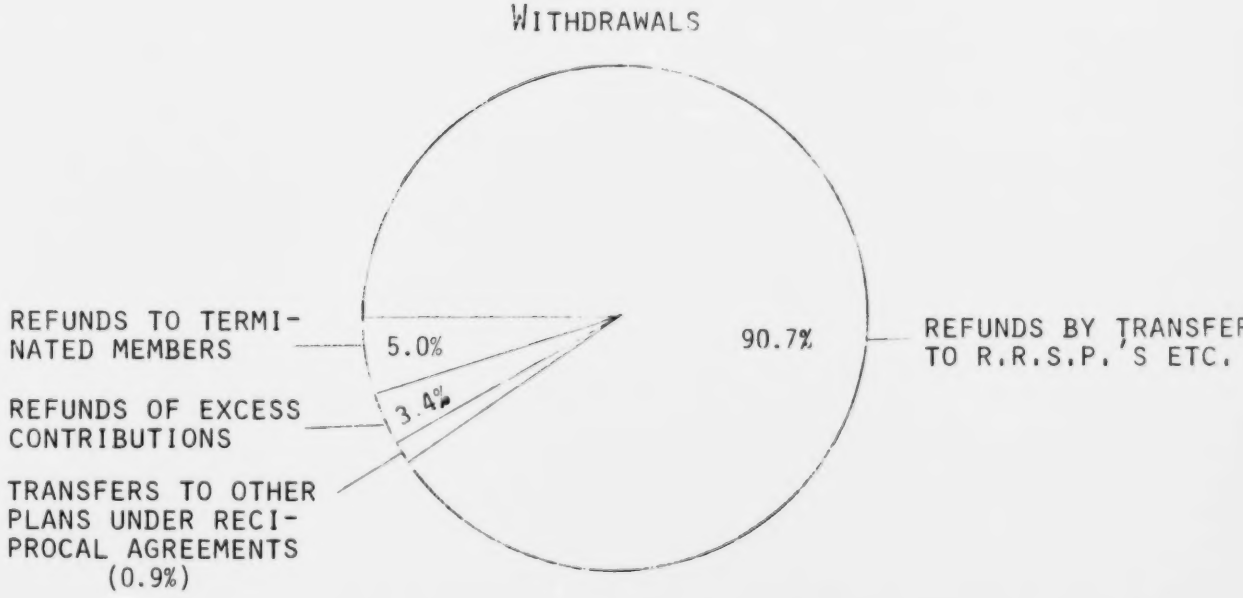
TRANSFERS BY BOOK ENTRY

The following book entry transfers were made under reciprocal agreements between the Universities Academic Pension Plan and the other Alberta Government pension plans:

Pension Plan	From Academic Plan	To Academic Plan
Public Service Pension Plan	$ 8,424.00	$608,610.32
Local Auth. Pension Plan	16,651.24	66,804.23
Public Service Management Pension Plan	-	32,597.41
Totals	$25,075.24	$708,011.96

TOTAL PAYMENTS, BENEFITS AND WITHDRAWALS





RETIREMENTS

Retirements during the fiscal year 1980-81:

Normal Retirement after age 65 (*Section 9 of the Act*)	12
Early Retirement after age 55 (unreduced pension) (*Section 10 of the Act*)	11
(Co-ordinated with Canada Pension/O.A.S. ... 4)	
	23
Deferred pensions commenced during the year	3

PENSIONS

Pensions in effect at March 1981:

Guaranteed Term - 5 years	13
Guaranteed Term - 10 years	14
Guaranteed Term - 15 years (Normal Pension)	29
Guaranteed Term - 20 years	7
Single Life Pension	23
Joint Life Pension	43
Joint Life Pension (Reducible by 1/3)	36
Joint Life Pension (Reducible by 1/2)	12
Spouse's Pension - Single Life	23
Spouse's Pension - Guaranteed Term 10 years	6
Spouse's Pension - Guaranteed Term 15 years	9
Spouse's Pension - Guaranteed Term 20 years	1
	216
Pensions co-ordinated with Canada Pension and/or the Old Age Security	21

DOLLAR VALUE OF PENSIONS

Monthly dollar value of pensicns paid at March 1981:

Dollar Value per month	Number of Pensions
$ 0 to 100	1
100 to 200	1
200 to 300	8
300 to 400	9
400 to 500	12
500 to 600	13
600 to 700	27
700 to 800	20
800 to 900	17
900 to 1,000	11
1,000 to 1,500	45
1,500 to 2,000	30
Over 2,000	22
Total number of pensions	216

The lowest pension paid at March 1981 was $94.89 and the highest was $2,773.48. The average of pensions paid at March 1981 was $1,075.71 per month.

Total pension payments during the year amounted to $2,628,633.

DEATH IN SERVICE BENEFITS

Number of Spouse's Pensions granted to the spouses of the deceased members during the year 2

(Coordinated with Old Age Security ... 1)

Amount of lump sum payments to the beneficiaries of the deceased members $83,421.00

Four pensioners died during the fiscal period. One of the pensions was transferred to the surviving spouse. Two pensions, being Single Life pensions expired. One pension was in the process of being transferred to the beneficiary spouse.

COMPARATIVE STATISTICS

July 1, 1978 to March 31, 1981

FISCAL YEAR	RECEIPTS			PAYMENTS			Excess of Receipts over Payments
	Member Contributions	Employer Contributions	Total Receipts	Benefits	Withdrawals	Total Payments	
1978/79	$33,716,989.15	$44,624,640.76	$ 78,341,629.91	$1,168,034.93	$ 547,822.70	$1,715,857.63	*$ 76,625,772.28
1979/80	7,675,275.81	7,447,345.10	15,122,620.91	2,099,781.65	957,979.47	3,057,761.12	12,064,859.79
1980/81	10,241,365.00	8,293,195.00	18,534,560.00	2,712,054.00	909,022.00	3,621,076.00	14,913,484.00
TOTALS	$51,633,629.96	$60,365,180.86	$111,998,810.82	$5,979,870.58	$2,414,824.17	$8,394,694.75	$103,604,116.07

*Funds transferred from former plans at start up of the plan.

UNIVERSITIES ACADEMIC PENSION ACT

SUMMARY OF REVENUE AND EXPENDITURE TRANSACTIONS

for the year ended 31-MAR-81

REVENUE

Contributions:	
Employees	$10,241,365
Employers	8,293,195
	$18,534,560

EXPENDITURE

Benefits:	
Pensions and annuities	$ 2,628,633
Lump sum pension benefits	6,292
Payment to beneficiaries	77,129
	2,712,054
Withdrawals:	
Contributions and interest in respect of employees leaving the service	45,062
Contributions and interest in respect of employees transferred to other pension authorities without reciprocal agreements	824,642
Contributions and interest in respect of employees transferred to other pension authorities with reciprocal agreements	8,420
Refund of excess contributions	30,898
	909,022
	$ 3,621,076
Excess of revenue over expenditure for the year	$14,913,484

UNIVERSITIES ACADEMIC PENSION ACT

NOTE TO THE SUMMARY OF TRANSACTIONS

March 31, 1981

Transfers

The following contributions and interest were transferred by book entry and are not reflected in the summary of transactions:

Transfers to:

Public Service Pension Act	$ 8,424.00
Local Authorities Pension Act	16,651.24
	$ 25,075.24

Transfers from:

Public Service Pension Act	$608,610.32
Local Authorities Pension Act	66,804.23
Public Service Management Pension Act	32,597.41
	$708,011.96